

Sugar & Gur Domestic & International Fundamentals**Recent updates.**

- Sugar prices continues to spiral down as the market lacks any bullish fundamentals.
- In a public notification issued by Ministry of consumer affairs, food and public distribution has given export quotas of 20 lakh tons of all grades of sugar. The ministry has issued a list mill-wise Minimum Indicative Export Quotas for sugar season 2017-18 by exercising sugar control order of 1966.
- Further, to facilitate and incentivise the export of surplus sugar by sugar mills, the government has allowed the Duty-free Import Authorisation (DFIA) Scheme in respect of sugar.
- From domestic front the higher stocks of sugar has helped prices to further fall and the ex-mill prices are being quoted low by 30-40 rupees low from yesterday close. Millers are finding it difficult to dispose surplus stocks in the market as season demand is low at this time.
- In the latest WASDE report the US sugar end stock has been upward revised to 1901 short tons from April WASDE of 1859 thd short tons. The upwards revision was on rise in production estimate of beet sugar from 5139 thd short tons to 5221 thd short tons. Cane sugar production has also been revised upward slightly. However with the prevailing drought conditions has resulted lower production estimate for 2018-19 to 5036 thd short tons.
- At Brazilian front, Brazil's center-south which is the world's largest sugar producing region, crushed about 50 percent more cane in April, the first month of the 2018/19 local crop season, than a year earlier as dry weather accelerated field work. This year the proportion of cane used for sugar rather than ethanol was below the previous season. Moreover the volume of cane and amount of sucrose in the cane were both above year-ago levels. Overall the Brazil production is low y-o-y.

Previous updates.

- The Global Sugar Alliance has launched an investigation this year into whether the EU, India and Pakistan are in violation of WTO rules, with plans to conclude by July, The group is represented by Brazil, Australia and Thailand who are concerned about their interest in global sugar market. Fall in international sugar prices has resulted in millers and refiners churning out sugar for prices below production costs.
- The alliance are questioning the MSP in Pakistan and India alongwith export subsidies and surplus subsidies for crushing. As Australia, Thailand and Europe has also witnessed bumper crop, these countries are questioning the subsidies regime in India which has hampered there sugar industries.
- From the domestic markets the 2018-19 sugar planting campaign is ver depressed as sugar prices has crushed. Further persisting drought in Tamil Nadu. However market is talking about another bumper production year in coming sugar season.
- Expectations of a bumper sugarcane crop this year have led to falling prices and caused financial losses for sugar mills, which are seeking federal and state government support to cover what they owe farmers.
- Sugar production in Philippines the week ended April 22 amounted to 68,912 tonnes, raw value, compared with 78,639 tonnes produced in the same period a year ago, SRA data show.
- Sugar output in the 2017-18 (October-September) season is estimated at over 310 lt against an estimated domestic consumption of about 240 lt. A similar surplus is expected in the coming season. Sugar prices have dropped to Rs 28 a kg, against a cost of production of Rs35. Mills' overdues to sugarcane farmers is pegged at about Rs 18,000 crore.

- The Council is expected to take up a proposal to impose a 5 per cent levy on sugar. This is expected to translate into an increase in retail price of up to Rs 3 a kg. Money collected through cess will be used to provide financial support to the sugarcane farmers.
- Sugar July raw sugar was down 0.09 cents, or 0.8 percent, at 11.66 cents per lb by 1122 GMT. Prices fell sharply in the prior session in tandem with white sugar, after India approved plans to subsidise its cane farmers, which could pave the way for exports to the world market.
- Till April 30, 2018, sugar mills have produced 31.03 MT sugar in the current season. With 130 sugar mills still operating, majorly in Uttar Pradesh, it is expected that sugar production during the current season might end up between 31.5-32 MT," Indian Sugar Mills Association (ISMA) said in a statement.
- India, the world's top sugar producer after Brazil, will spend 15.4 billion rupees (\$231 million) this year to subsidize a part of cane payments made by mills to farmers amid falling prices of the sweetener. India's cabinet approved a payment of 5.5 rupees per 100 kilograms of sugar cane to the farmers in the year that began on Oct. 1, Ravi Shankar Prasad, law and information technology minister, said on Wednesday.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 10-05-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2712	2712	2712	2712	-	10
Spread	Cont Mar (C1)						
Spot	-	-	-	-	-	-	
	-	-	-	-	-	-	

Note: There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		10-May-18	10-May-18	10-May-18	7-May-18
Delhi	M	-	-	-	-
Sangli	M	-	-	-	-
Sholapur	M	-	-	-	-
Kolhapur	M	-	-	-	-
Belgaum	M	-	-	-	-
Delhi	S	-	-	-	-
Sangli	S	-	-	-	-
Sholapur	S	-	-	-	-
Kolhapur	S	50	0	50	50
Belgaum	S	-	-	-	-

Sugar Futures ICE& LIFFE as on 10th May,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
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July-18	11.29	11.31	11.14	11.27	-0.02
Oct-18	11.70	11.70	11.54	11.67	-0.02
Mar-19	12.77	12.79	12.64	12.76	Unch
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Aug-18	323.30	323.70	320.70	323.40	-0.50
Oct-18	318.40	318.90	316.50	318.40	-1.00
Dec-18	327.80	327.80	324.40	326.80	-0.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-May-18	10-May-18	
Delhi	Delhi	M-Grade	2800	2890	-90
	Delhi	S-Grade	2780	2870	-90
Uttar Pradesh	Khatauli	M-Grade	2700	2740	-40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2600	2600	Unch
	Dhampur	S-Grade Ex-Mill	2580	2580	Unch
	Dhampur	L-Grade Ex-Mill	2650	2650	Unch
Maharashtra	Mumbai	M-Grade	2952	2952	Unch
	Mumbai	S-Grade	2710	2710	Unch
	Nagpur	M-Grade	2675	2725	-50
	Nagpur	S-Grade	2575	2625	-50
	Kolhapur	M-Grade	2550	2600	-50
	Kolhapur	S-Grade	2450	2500	-50
Assam	Guhawati	S-Grade	2751	2801	-51
Meghalaya	Shillong	S-Grade	2770	2820	-50
Andhra Pradesh	Vijayawada	M-Grade	3060	3060	Unch
	Vijayawada	S-Grade	3000	3000	Unch
West Bengal	Kolkata	M-Grade	NA	NA	-
Tamil Nadu	Chennai	S-Grade	2800	2800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	-
	Ambikapur	S-Grade (Without Duty)	NR	NR	-
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			11-May-18	10-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2750	2825	-75

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2525	2550	-25
	Muzaffarnagar	Laddoo (Fresh)	2603	2688	-85
	Muzaffarnagar	Rascut (Fresh)	2125	2125	Unch
	Hapur	Chaurasa	2300	2300	Unch
	Hapur	Balti	2375	2375	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NR	NR	-
	Belthangadi	Yellow (Average)	NR	NR	-
	Bijapur/Vijayapura	Achhu	2775	2800	-25
	Gulbarga/Kalaburgi	Other (Average)	NR	2750	-
	Mahalingapura	Penti (Average)	NR	2766	-
	Mandya	Achhu (Medium)	NR	3550	-
	Mandya	Kurikatu (Medium)	NR	3200	-
	Mandya	Other (Medium)	NR	3000	-
	Mandya	Yellow (Medium)	NR	3300	-
	Shimoga/Shivamogga	Achhu (Average)	NR	NR	-

Spot Prices of Sugar at NCDEX Delivery Centers:

Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		11-May-18	4-May-18	11-Apr-18	11-May-17
Sugar S Grade					
Erode	-	NA	NA	NA	3995
Kolhapur	-32.92	2541	2611	2838	3788
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-31.69	2695	2745	2885	3945
Erode	-	NA	NA	NA	4070
Kanpur	-33.52	2729	2754	2976	4105
Kolhapur	-31.91	2640	2721	2936	3877
Kolkata	-31.64	2863	2952	3076	4188
Muzaffar Nagar	-32.55	2654	2750	2891	3935
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		10-May-18	3-May-18	10-Apr-18	11-May-17	10-May-18
May-18	-17.49	1965	1987	1764	2381	67.37
Jul-18	-24.60	1701	1744	1773	2256	

Oct-18	-23.54	1761	1783	1815	2303	
(Source: Reuters) * Today – figures are a day ago Quotes.						

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		10-May-18	3-May-18	10-Apr-18	11-May-17	10-May-18
Aug-18	-24.45	2179	2155	2182	2884	67.37
Oct-18	-23.64	2145	2148	2173	2809	
Dec-18	-21.63	2202	2193	2203	2809	
(Source: Reuters)* Today – figures are a day ago Quotes.						

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